

103^D CONGRESS
2^D SESSION

S. 1798

To amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons and to impose a tax on the transfer of handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1994

Mr. BRADLEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons and to impose a tax on the transfer of handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Gun Violence Health
5 Care Costs Prevention Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) there are currently over 209,000,000 fire-
4 arms in the United States, 71,000,000 of which are
5 handguns and 1,000,000 of which are semi-auto-
6 matic assault weapons;

7 (2) there are now over 280,000 federally li-
8 censed gun dealers in the United States, as com-
9 pared to 155,000 grocery stores and 210,000 gas
10 stations;

11 (3) a Federal firearms dealer's license allows
12 the licensee to purchase firearms wholesale across
13 State lines;

14 (4) according to the Bureau of Alcohol, Tobacco
15 and Firearms, American taxpayers annually pay
16 more than \$28,000,000 in subsidies to operate the
17 Federal firearms dealer licensing system;

18 (5) each year more than 24,000 Americans (65
19 Americans a day) are killed with handguns, either in
20 homicides, by committing suicide, or by uninten-
21 tional injuries;

22 (6) handguns account for only one-third of all
23 firearms in the United States, but account for two-
24 thirds of all firearm-related deaths;

25 (7) in 1991, the United States led the devel-
26 oped world with 14,373 gun murders, as compared

1 to 186 gun murders in Canada, 76 gun murders in
2 Australia, 60 gun murders in England, and 74 gun
3 murders in Japan;

4 (8) in 1991, there were 11,497 murders com-
5 mitted with handguns, as compared to 745 murders
6 committed with rifles, 1,124 murders committed
7 with shotguns, and 3,430 murders committed with
8 knives;

9 (9) every 14 minutes someone in the United
10 States dies from a gunshot;

11 (10) in 1989, there were over 240,000 nonfatal
12 firearms injuries;

13 (11) 95 percent of the persons injured each
14 year by a handgun require emergency care or hos-
15 pitalization;

16 (12) firearms injuries, fatal and nonfatal, are
17 the third most costly type of injury overall;

18 (13) the total lifetime costs associated with fire-
19 arm deaths and injuries were \$14,400,000,000 in
20 1985, increased to at least \$16,200,000,000 by
21 1988, and increased to \$20,400,000,000 by 1990;

22 (14) the health care cost of firearm-related in-
23 juries is approximately \$3,000,000,000 a year;

24 (15) public funds pay for over 80 percent of the
25 cost of hospitalization for firearms injuries, exclud-

1 ing professional fees and the cost of ambulance,
2 physical therapy, and other rehabilitative services;

3 (16) youngsters carry an estimated 270,000
4 guns to school every day;

5 (17) gun violence is a major public health prob-
6 lem and handguns, assault weapons, and the ammu-
7 nition for these firearms are major health hazards;

8 (18) the cost of firearms and firearms dealers
9 licenses should reflect the health costs of firearms to
10 our society;

11 (19) the Federal taxes on handguns, assault
12 weapons, and the ammunition for these firearms
13 should be significantly increased to partially offset
14 the health care costs of gun violence;

15 (20) the fees required for Federal firearms
16 dealer's licenses should be significantly increased to
17 partially offset the health care costs of gun violence;
18 and

19 (21) the increased Federal taxes should not be
20 imposed on firearms and ammunition which are rec-
21 ognized as particularly suitable for, or readily adapt-
22 able to, sporting purposes.

1 **SEC. 3. LICENSE APPLICATION FEES FOR DEALERS IN**
 2 **FIREARMS.**

3 (a) IN GENERAL.—Section 923(a) of title 18, United
 4 States Code, is amended—

5 (1) by striking subparagraph (B) of paragraph
 6 (3) and inserting:

7 “(B) who is not a dealer in destructive de-
 8 vices, a fee of \$3,000 for 3 years (including re-
 9 newals).”; and

10 (2) by adding at the end the following new
 11 flush sentence:

12 “There are hereby appropriated to the Gun Violence Trau-
 13 ma Care Trust Fund established under section 9512 of
 14 the Internal Revenue Code of 1986 (26 U.S.C. 9512) 93
 15 percent of the revenues from fees collected under para-
 16 graph (3)(B) for original licenses and 97 percent of the
 17 revenues from such fees for renewal licenses.”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to license applications (including
 20 renewals) filed after the 180th day after the date of the
 21 enactment of this Act.

22 **SEC. 4. INCREASE IN TAX ON HANDGUNS AND ASSAULT**
 23 **WEAPONS.**

24 (a) INCREASE IN MANUFACTURER’S TAX.—

25 (1) IN GENERAL.—Part III of subchapter D of
 26 chapter 32 of the Internal Revenue Code of 1986

1 (relating to tax on firearms) is amended by adding
 2 at the end the following new section:

3 **“SEC. 4183. IMPOSITION OF ADDITIONAL TAX ON HAND-**
 4 **GUNS AND ASSAULT WEAPONS.**

5 “(a) IMPOSITION OF TAX.—In addition to any tax
 6 imposed by section 4181, there is hereby imposed upon
 7 the sale by the manufacturer, producer, or importer of any
 8 of the following articles a tax equivalent to the specified
 9 percentage of the price for which so sold:

10 “ARTICLES TAXABLE AT 20 PERCENT.—

11 “Handguns.

12 “ARTICLES TAXABLE AT 19 PERCENT.—

13 “Semiautomatic assault weapons.

14 “Shells and cartridges used in handguns
 15 and semiautomatic assault weapons.

16 “(b) DEFINITIONS.—For purposes of subsection
 17 (a)—

18 “(1) HANDGUN.—The term ‘handgun’ means
 19 any pistol or revolver.

20 “(2) SEMIAUTOMATIC ASSAULT WEAPON.—

21 “(A) IN GENERAL.—The term ‘semiauto-
 22 matic assault weapon’ means—

23 “(i) any of the semiautomatic fire-
 24 arms known as—

25 “(I) A.A. Arms AP-9;

- 1 “(II) Auto-Ordnance Thompson;
2 “(III) Barrett Light-Fifty;
3 “(IV) Beretta AR-70;
4 “(V) Bushmaster Auto Rifle;
5 “(VI) Calico M-900 and M-950;
6 “(VII) Cobray, Ingram and RPB
7 MAC-10 and MAC-11;
8 “(VIII) Colt AR-15 and Sporter;
9 “(IX) Encom MP-9 and MP-45;
10 “(X) Fabrique Nationale FN/
11 FAL, FN/LAR, and FNC;
12 “(XI) Feather AT-9;
13 “(XII) Federal XP900 and
14 XP450;
15 “(XIII) Franchi SPAS-12;
16 “(XIV) Intratec TEC-9 and
17 TEC-22;
18 “(XV) Israeli Military Industries
19 UZI and Galil;
20 “(XVI) Iver Johnson Enforcer
21 3000;
22 “(XVII) Norinco, Mitchell and
23 Poly Technologies Avtomat
24 Kalashnikovs;
25 “(XVIII) Steyr AUG; or

1 “(XIX) USAS-12;

2 “(ii) a revolving-cylinder shotgun such
3 as or similar to the Street Sweeper or
4 Striker 12; and

5 “(iii) a semiautomatic firearm des-
6 ignated by the Secretary as a semiauto-
7 matic assault weapon under subsection (c).

8 “(B) EXCEPTIONS.—The term ‘semiauto-
9 matic assault weapon’ does not include (among
10 other firearms)—

11 “(i) any of the firearms known as—

12 “(I) Remington Model 1100 shot-
13 gun;

14 “(II) Remington Model 7400
15 rifle;

16 “(III) Mossberg Model 5500
17 shotgun;

18 “(IV) HK Model 300 rifle;

19 “(V) Marlin Model 9 camp car-
20 bine;

21 “(VI) Browning High-Power
22 rifle; or

23 “(VII) Remington Nylon 66 auto
24 loading rifle;

1 “(ii) a firearm that is a manually op-
2 erated bolt action firearm;

3 “(iii) a lever action firearm;

4 “(iv) a slide action firearm; or

5 “(v) a firearm that has been rendered
6 permanently inoperable.

7 “(3) SHELLS AND CARTRIDGES.—

8 “(A) HANDGUNS.—The term ‘cartridges
9 used in handguns’ includes—

10 “(i) any centerfire cartridge which has
11 a cartridge case less than 1.3 inches in
12 length,

13 “(ii) any cartridge case which is less
14 than 1.3 inches in length, or

15 “(iii) any other ammunition listed
16 under subsection (c)(1)(B) as likely to be
17 used in a handgun.

18 “(B) SEMIAUTOMATIC ASSAULT WEAP-
19 ONS.—The term ‘shells or cartridges used in
20 semiautomatic assault weapons’ means any
21 shells, cartridges, magazines, or other ammuni-
22 tion which is listed under subsection (c)(1)(B)
23 as likely to be used in a semiautomatic assault
24 weapon.

1 “(c) DESIGNATION OF SEMIAUTOMATIC ASSAULT
2 WEAPONS AND TAXABLE AMMUNITION.—

3 “(1) IN GENERAL.—Not later than 180 days
4 after the date of the enactment of this section, and
5 annually thereafter, the Secretary, in consultation
6 with the Attorney General, shall—

7 “(A) determine whether any other semi-
8 automatic firearm (other than a firearm de-
9 scribed in subsection (b)(2)(B)) should be des-
10 ignated as a semiautomatic assault weapon in
11 addition to those previously designated by sub-
12 section (b)(2)(A) or by the Secretary under this
13 subsection, and

14 “(B) publish a list of shells and cartridges
15 which are likely to be used in handguns and
16 semiautomatic assault weapons.

17 “(2) CRITERIA.—For purposes of paragraph
18 (1)(A), the Secretary shall by regulation designate
19 as a semiautomatic assault weapon a rifle, pistol, or
20 shotgun that is a semiautomatic firearm and that is
21 described in paragraph (3), (4), (5), or (6).

22 “(3) REPLICAS OR DUPLICATES.—A replica or
23 duplicate in any caliber of a semiautomatic firearm
24 described in subsection (b)(2)(A)(i) is a semiauto-
25 matic assault weapon.

1 “(4) CERTAIN NONSPORTING FIREARMS.—A
2 rifle that is a semiautomatic firearm is a semiauto-
3 matic assault weapon if it—

4 “(A) is not generally recognized as being
5 particularly suitable for or readily adaptable to
6 sporting purposes,

7 “(B) has an ability to accept a detachable
8 magazine, and

9 “(C) has at least 2 of the following charac-
10 teristics:

11 “(i) A folding or telescoping stock.

12 “(ii) A pistol grip that protrudes con-
13 spicuously beneath the action of the weap-
14 on.

15 “(iii) A bayonet mount.

16 “(iv) A flash suppressor or threaded
17 barrel designed to accommodate a flash
18 suppressor.

19 “(v) A grenade launcher.

20 “(5) CERTAIN PISTOLS.—A pistol that is a
21 semiautomatic firearm is a semiautomatic assault
22 weapon if it—

23 “(A) is not generally recognized as being
24 particularly suitable for or adaptable to sport-
25 ing purposes,

1 “(B) has an ability to accept a detachable
2 magazine, and

3 “(C) has at least 2 of the following charac-
4 teristics:

5 “(i) An ammunition magazine that at-
6 taches to the pistol outside of the pistol
7 grip.

8 “(ii) A threaded barrel capable of ac-
9 cepting a barrel extender, flash suppressor,
10 forward hand grip, or silencer.

11 “(iii) A shroud that is attached to or
12 partially or completely encircles the barrel
13 and that permits the shooter to hold the
14 firearm with the second hand without
15 being burned.

16 “(iv) A manufactured weight of 50
17 ounces or more when the pistol is un-
18 loaded.

19 “(v) A semiautomatic version of an
20 automatic firearm.

21 “(6) CERTAIN SHOTGUNS.—A shotgun that is a
22 semiautomatic firearm is a semiautomatic assault
23 weapon if it—

1 “(A) is not generally recognized as being
2 particularly suitable for or adaptable to sport-
3 ing purposes, and

4 “(B) has at least 2 of the following charac-
5 teristics:

6 “(i) A folding or telescoping stock.

7 “(ii) A pistol grip that protrudes con-
8 spicuously beneath the action of the
9 weapon.

10 “(iii) A fixed magazine capacity in ex-
11 cess of 6 rounds.

12 “(iv) An ability to accept a detachable
13 magazine.”.

14 (2) CONFORMING AMENDMENTS.—

15 (A) Section 4182(a) of such Code is
16 amended by inserting “or 4183” after “section
17 4181”.

18 (B) Paragraph (6) of section 6091(b) of
19 such Code is amended by striking “section
20 4181” and inserting “section 4181 or 4183”.

21 (C) The table of sections for part III of
22 subchapter D of chapter 32 of such Code is
23 amended by adding at the end the following
24 new item:

“Sec. 4183. Imposition of additional tax on handguns and assault weapons.”.

1 (b) TAX ON SUBSEQUENT SALES OR TRANSFERS IN-
2 VOLVING ASSAULT WEAPONS AND HANDGUNS.—

3 (1) IN GENERAL.—Chapter 31 of the Internal
4 Revenue Code of 1986 is amended by adding at the
5 end the following new subchapter:

6 **“Subchapter D—Handguns and**
7 **Semiautomatic Assault Weapons**

“Sec. 4056. Handguns and semiautomatic assault weapons.

8 **“SEC. 4056. HANDGUNS AND SEMIAUTOMATIC ASSAULT**
9 **WEAPONS.**

10 “(a) IMPOSITION OF TAX.—There is hereby imposed
11 on any sale, transfer, or other disposition by any person
12 of a handgun, semiautomatic assault weapon, or shells and
13 cartridges used in handguns and semiautomatic assault
14 weapons a tax equal to 30 percent of the price for which
15 sold, transferred, or disposed of.

16 “(b) CREDIT FOR TAX PREVIOUSLY IMPOSED.—

17 “(1) IN GENERAL.—In the case of the 1st retail
18 sale of any article, and any sale, transfer, or disposi-
19 tion preceding the 1st retail sale, the amount of tax
20 imposed by subsection (a) shall be reduced by the
21 amount of tax imposed by this section, section 4181,
22 or section 4183 on any preceding sale, transfer, or
23 disposition of the article.

1 “(2) REFUNDS.—If a taxpayer establishes to
2 the satisfaction of the Secretary that tax was im-
3 posed in excess of the amount due, the Secretary
4 shall pay (without interest) to the taxpayer the
5 amount of such excess.

6 “(3) REQUIREMENTS.—No reduction or refund
7 shall be made under this subsection unless the tax-
8 payer meets such requirements as the Secretary may
9 prescribe with respect to proof of payment of tax for
10 any prior sale, transfer, or disposition.

11 “(c) EXCEPTIONS.—

12 “(1) COORDINATION WITH MANUFACTURER’S
13 TAX.—No tax shall be imposed under subsection (a)
14 on a sale, transfer, or disposition of an article if tax
15 is imposed under section 4181 or 4183 with respect
16 to such sale, transfer, or disposition.

17 “(2) DEFENSE DEPARTMENT.—No tax shall be
18 imposed by subsection (a) on any sale described in
19 section 4182(b).

20 “(d) DEFINITIONS.—For purposes of this section, the
21 terms ‘handgun’, ‘semiautomatic assault weapon’, and
22 ‘shells and cartridges used in handguns and semiauto-
23 matic assault weapons’ have the meanings given such
24 terms by section 4183(b).”.

1 (2) CONFORMING AMENDMENT.—The table of
2 subchapters for chapter 31 of such Code is amended
3 by adding at the end the following new item:

**“Subchapter D—Handguns and Semiautomatic Assault
Weapons.”.**

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to sales, transfers, and other dis-
6 positions after the 180th day after the date of the enact-
7 ment of this Act.

8 **SEC. 5. GUN VIOLENCE TRAUMA CARE TRUST FUND.**

9 (a) IN GENERAL.—Subchapter A of chapter 98 of the
10 Internal Revenue Code of 1986 (relating to trust fund
11 code) is amended by adding at the end the following new
12 section:

13 **“SEC. 9512. GUN VIOLENCE TRAUMA CARE TRUST FUND.**

14 “(a) ESTABLISHMENT OF THE TRUST FUND.—There
15 is established in the Treasury of the United States a trust
16 fund to be known as the ‘Gun Violence Trauma Care
17 Trust Fund’, consisting of such amounts as may be appro-
18 priated or credited to such Trust Fund as provided in this
19 section or section 9602(b).

20 “(b) TRANSFERS TO THE TRUST FUND.—There are
21 hereby appropriated to the Gun Violence Trauma Care
22 Trust Fund amounts equivalent to—

23 “(1) the taxes received in the Treasury under
24 section 4056,

1 “(2) the taxes received in the Treasury under
2 section 4183, and

3 “(3) the amounts described in the last sentence
4 of section 923(a) of title 18, United States Code.

5 “(c) EXPENDITURES FROM THE TRUST FUND.—
6 Funds in the Gun Violence Trauma Care Trust Fund shall
7 be available, as provided in appropriations Acts, only—

8 “(1) for the purpose of making grants to assist
9 hospitals, trauma centers, or other health care pro-
10 viders that have incurred substantial uncompensated
11 costs in providing medical care to gunshot victims,
12 or

13 “(2) in the event a national health program is
14 established which compensates for those costs, for
15 the purpose of reimbursing that program for its
16 costs in providing the compensation.

17 “(d) ELIGIBILITY FOR TRUST FUND MONEYS.—A
18 hospital, trauma center, or other health care provider is
19 eligible to apply for grants from the Trust Fund for any
20 calendar year if the hospital, trauma center, or health care
21 provider—

22 “(1) is in compliance with Federal and State
23 certification and licensing requirements;

24 “(2) is a not-for-profit entity; and

1 “(3) has incurred substantial uncompensated
2 costs during the previous calendar year in providing
3 medical care to gunshot victims.

4 “(e) REGULATIONS FOR TRUST FUND.—The Sec-
5 retary shall, not later than 180 days after the date of en-
6 actment of this section and in consultation with the Sec-
7 retary of Health and Human Services, issue such regula-
8 tions as are necessary to implement the provisions of this
9 section.”.

10 (b) CONFORMING AMENDMENT.—The table of sec-
11 tions for subchapter A of chapter 98 of such Code is
12 amended by adding at the end the following new item:

 “Sec. 9512. Gun Violence Trauma Care Trust Fund.”.

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S 1798 IS——2